



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/703,562	11/01/2000	William C O'Neil, Jr.	TFFUND-04809	3102
23535	7590	07/19/2007		
MEDLEN & CARROLL, LLP 101 HOWARD STREET SUITE 350 SAN FRANCISCO, CA 94105			EXAMINER CHAMPAGNE, DONALD	
			ART UNIT 3622	PAPER NUMBER
			MAIL DATE 07/19/2007	DELIVERY MODE PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

**Office Action Summary**

Application No.

09/703,562

Applicant(s)

O'NEIL, JR. ET AL.

Examiner

Donald L. Champagne

Art Unit

3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 25 May 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1,4-8,11-16,24-27,29-34 and 49 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1,4-8,11-16,24-27,29-34 and 49 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 01 November 2000 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

## DETAILED ACTION

### *Claim Rejections - 35 USC § 103*

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.
2. Claims 1, 4-8, 11-16, 24-27, 29-34 and 49 are rejected under 35 U.S.C. 103(a) as obvious over Fernandez-Holmann in view of Bednarek (US006965868B1).
3. Fernandez-Holmann teaches (independent claims 1, 24, 33 and 49) a method and a system, the method comprising:
  - a) providing:
    - i) a registered member (*credit card holder*, col. 2 lines 27-29),
    - ii) at least one long-term investment account (col. 2 lines 29-34 and col. 4 lines 47-49),
    - iii) at least one registered merchant (*subscriber merchants*, col. 2 line 67) offering rebates ranging from 1% to 30% (col. 6 lines 14-19 and MPEP 2131.01.I) to said registered member (col. 3 lines 31-40), and
    - iv) a *credit card issuer* (col. 2 line 28), which reads on a rebate network manager, wherein said each *subscriber merchant*/at least one registered merchant is registered with said rebate network manager;
  - b) calculating (col. 2 line 62 to col. 3 line 4) a rebate on each purchase made by said registered member<sup>1</sup> from said at least one registered merchant, wherein said rebate network manager monitors sales by said *subscriber*/registered merchants to determine if said sales

---

<sup>1</sup> A rebate is inherently calculated on each purchase/transaction by calculating a rebate on the user's *aggregate purchases*, col. 5 lines 52-55. Although not claimed, the reference also teaches calculating a rebate on each purchase/transaction individually whenever there is only one purchase/transaction in the *preceding calendar month*.

Art Unit: 3622

are to said *credit card holder*/registered member, wherein said calculating step is performed by said *credit card issuer*/rebate network manager utilizing a computer processor (col. 7 lines 30-35) configured to calculate said rebate based on an existing formula (col. 5 lines 61-65) wherein said rebate ranges from 1% to 30% (col. 6 lines 14-19 and MPEP 2131.01.I) for each transaction<sup>1</sup>, and wherein said computer processor is located at a location other than the location of the merchant (col. 3 lines 59-67 and Fig. 5, which teach that the *credit card issuer*/rebate network manager and therefore its computer is separate from the *merchants*); and

c) crediting said at least one long-term investment account with said rebate (col. 3 lines 1-4).

4. Fernandez-Holmann does not teach that said rebate is provided by said at least one registered merchant (and said rebate network manager debits the account of the merchant). Bednarek teaches that said rebate is provided by said at least one registered merchant (col. 16 lines 59-60). Because this would solve the free rider problem identified by Bednarek (the merchant benefits, but does not pay, col. 16 lines 57-59), it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add the teachings of Bednarek to those of Fernandez-Holmann.
5. No patentable weight was given to the limitation that the account is for "higher education" because this limitation is nonfunctional (MPEP § 2106.01). Similarly, no patentable weight was given to the (claim 49) limitation that the account proceeds are used to "pay down educational loans or debt". Fernandez-Holmann teaches that the account is for long-term investment, including for IRAs (col. 4 lines 47-49). It is obvious that the account proceeds would be spent for some purpose. The payee of any account distribution is nonfunctional descriptive matter (tantamount to a payee on a paper check), which does not impart patentability (MPEP § 2112.01.III). Furthermore, it is common and therefore obvious to write checks from long-term investment accounts for higher education funding.
6. Fernandez-Holmann also teaches at the citations given above claims 4-8, 11, 12, 14, 15, 25-27, 29, 30, 32 and 34.
7. Fernandez-Holmann also teaches claim 16 inherently because "said rebate" is interpreted as being net of the registration organization's expenses.

Art Unit: 3622

8. Bednarek teaches (claims 13 and 31) purchases made on-line (col. 4 lines 52-54).

### ***Response to Arguments***

9. Applicants' arguments filed with an amendment on 25 May 2007 have been fully considered but they are not persuasive. Some arguments have been addressed by the new rejection given above. Additional comments are as follows.
10. Applicants argue (p. 7, bottom) that Fernandez-Holmann does not teach registered merchants. The reference does so as *subscriber merchants* (col. 2 line 67), meaning subscribers to the credit card network. As applicants themselves note, the reference teaches that said merchants do not have to become part of a separate rebate program (col. 3 lines 35-40, emphasis added).
11. Declaration evidence – The examiner acknowledges the filing of declarations on 25 May 2007 by one of the applicants and three, clearly distinguished, educators. As one applicant notes in his introduction of the three educators' declarations,

"3. These three distinguished gentlemen are uniquely qualified to provide evidence on problems associated with paying for higher education as well as the approach used by the present invention to address those problems. As indicated by each of these three distinguished gentlemen, the cost of higher education is a serious and unresolved problem. The claimed program allows families to meet the gap in funding for paying for college, start saving for college, and supplement other savings for college with little extra effort as indicated in the attached letters. This is an important consideration because the real need for average American families, as indicated in the letters, is a way to easily start saving for college and cover gaps in paying for college, not pay for all costs associated with college with any one particular program or savings method. No other program allowed for a convenient method to start saving for college or save a portion of money required for college by directing purchases to merchants offering rebates to purchasers, where the program is transparent to the merchants offering the rebates. As stated by Dr. Troutt, this serves a great need." (P. 2, first para., of declaration filed 25 May 2007 by applicant Michael Jackson. Emphasis added.)

Art Unit: 3622

12. While impressive, these declarations cannot overcome the instant rejection. The claimed educational limitations do not distinguish over the prior art because they are nonfunctional or obvious (para. 5 above). Hence any evidence in support of the educational merits of the instant invention is moot.
13. There are significant public policy issues here, but, for that very reason, the examining corps is probably not the best venue for seeking a patent for the instant application. MPEP 706.03(a)II cautions against basing rejections on non-patent public policy. By the same logic, the patent corps cannot properly justify an allowance on the basis of non-patent public policy. The BPAI has broader authority than the patent corps, as of course do higher courts. Applicant is encouraged to consider an appeal from the primary examiner's decision to such a venue.

### **Conclusion**

14. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).
15. A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.
16. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Donald L Champagne whose telephone number is 571-272-6717. The examiner can normally be reached from 9:30 AM to 8 PM ET, Monday to Thursday. The examiner can also be contacted by e-mail at [donald.champagne@uspto.gov](mailto:donald.champagne@uspto.gov), and *informal* fax communications (i.e., communications not to be made of record) may be sent directly to the examiner at 571-273-6717. The fax phone number for all *formal* matters is 571-273-8300.

Art Unit: 3622

17. The examiner's supervisor, Eric Stamber, can be reached on 571-272-6724.
18. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).
19. **AFTER FINAL PRACTICE** – Consistent with MPEP § 706.07(f) and 713.09, prosecution generally ends with the final rejection. Examiner will grant an interview after final only when applicant presents compelling evidence that “disposal or clarification for appeal may be accomplished with only nominal further consideration” (MPEP § 713.09). The burden is on applicant to demonstrate this requirement, preferably in no more than 25 words. Amendments are entered after final only when the amendments will clearly simplify issues, or put the case into condition for allowance, clearly and without additional search or more than nominal consideration.
20. Applicant may have after final arguments considered and amendments entered by filing an RCE.
21. **ABANDONMENT** – If examiner cannot by telephone verify applicant's intent to continue prosecution, the application is subject to abandonment six months after mailing of the last Office action. The agent, attorney or applicant point of contact is responsible for assuring that the Office has their telephone number. Agents and attorneys may verify their registration information including telephone number at the Office's web site, [www.uspto.gov](http://www.uspto.gov). At the top of the home page, click on Site Index. Then click on Agent & Attorney Roster in the alphabetic list, and search for your registration by your name or number.

11 July 2007

  
DONALD L. CHAMPAGNE  
PRIMARY EXAMINER

Donald L. Champagne  
Primary Examiner  
Art Unit 3622